

Press release

Broodstock Capital invests in NP Innovation AB

22 September 2018 – Seafood investor Broodstock Capital has entered into an agreement to invest in water treatment company NP Innovation AB (NP Innovation), a leading supplier of water treatment technologies for aquaculture systems.

NP Innovation was founded by CEO Nils-Åke Persson in 2013. The company's head office is located in Malmö, Sweden, where all product development takes place. Its product range consists of pre-filter, drum filters, disc filters and CO₂ degassers for the aquaculture and public sector water treatment industries.

Prior to NP Innovation, Nils-Åke Persson founded filtration technology company Hydrotech in 1984, a time when available filtration technology for fish farms was inadequate. Subsequently, he developed the successful drum filter for water treatment, which became an instant success in the aquaculture industry. The company was sold to US Filter in 2002 and subsequently to Veolia.

"Nils-Åke is considered to be *the* international guru within water filtration for RAS systems. The technologies he has developed are still dominating the global aquaculture landscape. However, we expect the new water treatment technologies from Nils-Åke and his colleagues to raise the bar even higher when it comes to water quality and product reliability as well as lower maintenance costs," says Kjetil Haga, partner at Broodstock Capital.

Following an acquisition of shares from three previous shareholders in NP Innovation, and a SEK 10 million share issue, Broodstock Capital owns half the company. The other half is owned by Nils-Åke Persson and other members of the company's management team.

NP Innovation currently employs 13 people. The company regularly supplies fish farming companies in Europe, USA, Chile and Canada. NP Innovation is expected to deliver revenues of approximately SEK 50 million in 2018. Approximately 90 percent of its revenues are from the aquaculture industry, with the remaining 10 percent from the public sector.

"We have on average grown 25 percent every year – and been profitable each year apart from the start-up year – since we established the company. However, through Broodstock Capital's entry we gain the financial muscles to quickly increase production capacity, which in turn will allow us to start bidding for larger projects worldwide. The latter will benefit both our customers and cooperation partners. I am excited to get Broodstock on board," says Nils-Åke Persson, CEO of NP Innovation.

The investment in NP Innovation is Broodstock Capital's fourth in the seafood space. Its funds focus exclusively on investments in small and medium sized businesses within the seafood industry in general and in the fish supplier industry specifically. Broodstock Capital's strategy is to own and develop businesses in partnership with founders, management and existing owners.

"Proper water treatment is at the heart of any RAS facility. Given the expected global growth in aquaculture production, combined with an increasing RAS market penetration, we believe NP

Innovation is perfectly positioned to play an important role in the development of the aquaculture industry. We strongly believe NP Innovation possesses the most reliable and cost-efficient filtration products available globally, which is why we have chosen to invest in the company,” says Simen L. Bjørnstad, partner at Broodstock Capital.

Kjetil Haga and Håkon Aglen Fredriksen in Broodstock Capital will join NP Innovation AB’s board of directors.

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